June 15, 2000

Lt. Governor Dave Maurstad
Chair, Nebraska Information Technology Commission
State Capitol, Room 2315
Lincoln, Nebraska 68509-4853

Subject: Project Status Summary

Dear Lt. Governor Maurstad:

Section 86-1510 requires the Chief Information Officer to report the status of enterprise projects to the NITC, the Governor, and the Legislature. Section 8 of LB 1349 also requires semi-annual progress reports for enterprise projects funded through the Information Technology Infrastructure Fund.

The Statewide Technology Plan included a project status reporting system as an action item. A work group of the State Government Council developed a set of draft guidelines and format for project status reports. With minor modifications reflecting suggested changes, those guidelines are now before the NITC for adoption.

So far, the CIO has requested three projects to begin using the project status reports after their adoption. These include the Nebraska Information System (NIS), the Retirement automation project, and CHARTS / SDU. In addition, the Legislative Fiscal Office and Budget Division have directed the Nebraska Educational Telecommunications Commission to follow the Project Status Reporting format for quarterly reports required in Section 68 of LB 1217.

Eventually, project status reports for these and other projects will be available to the Office of the NITC / CIO, Legislative Fiscal Office, and Budget Division on a password protected web site. The web site is under development; a prototype is available at: http://www.das.state.ne.us/nitc/itpm/. It includes a range of project management information, in addition to access to project status reports.

A summary of available information regarding these projects is attached. The first project status report for the NIS project is also attached. Please contact me, if you have any questions.

Sincerely,

Steve Schafer
Chief Information Officer

Attachments

PROJECT STATUS SUMMARY
JUNE 15, 2000

Nebraska Information System

In April, the NITC authorized DAS to expend funds appropriated in LB 1217 for work relating to vendor selection, project management and preparation of a detailed project plan. The NITC also directed the Technical Panel to review the RFP and make recommendations to the NITC, to review and provide input in the vendor selection process, and to provide status reports on the project to the NITC. The NITC reiterated the importance of compatibility of the NIS with other systems.

In February, the Technical Panel identified seven issues:

1. Stakeholders' involvement and acceptance is essential for the success of this project;
2. The implementation plan must address a timetable for incorporating agency participation;
3. The Technical Panel concurs with the decision of the steering committee to use an RFP for the selection of a vendor;
4. The RFP and vendor selection process must allow for participation of all agencies;
5. The RFP must articulate the e-government and e-commerce aspects of the project.
6. The process for selecting the vendor must document the technical impact, including network, desktop requirements, server hardware and software, database and support, ad hoc queries, and printing options;
7. The Technical Panel will review the project prior to contract award.

The Technical Panel met with the NIS Project Manager on June 13 to discuss these and other issues. The NIS Project Manager started in mid-May. He is assembling a project team and resuming work on the RFP. He has prepared a rough timeframe, but is still working on identifying milestones. More information is available in the monthly project status report. Follow-up items include:

1. The Technical Panel will conduct a technical review of the RFP with comments and recommendations;
2. The NIS Project Manager plans to appoint two members of the Technical Panel to the vendor selection committee. The selection process will be addressed in the RFP, which the Technical Panel will review;
3. The NIS Project Manager will continue to provide monthly project status reports to the CIO.

The May project status report described an alternative approach to structuring the RFP. Instead of evaluating detailed requirements (the current version identifies more than 1000 items), the revised RFP would focus on the goals of the project, including process modernization, employee self-service, integration, GASB 34 compliance, and better reporting. Material accompanying the NIS status report emphasized the need for education and training of all users, including senior management. Studies have shown the need for a broad-based understanding of the underlying flow of information through the enterprise and the business processes that are affected.

Nebraska Public Employees Retirement Systems Strategic Business Technology Plan

The NPERS will begin using the project status reporting guidelines and format in July 2000. A verbal report indicates the project is on track. A project manager will begin work on June 20.

The NPERS Strategic Business Technology Plan included requirements for a general ledger, because the future plans for the NIS at the time were uncertain. With NIS now moving forward, these requirements create some potential for duplication of functions. A meeting with NIS and NPERS confirmed an agreement that the Retirement application will rely on NIS for general ledger functions.

CHARTS

In April, HHS retained IBM to conduct a management review and risk assessment of the CHARTS project. The consultant confirmed that the target completion date of October 1, 2000 was not feasible. Although September 1, 2001 is achievable, it faces significant risks. Below is a partial list of issues identified in the IBM report:

1. Project sponsors must be defined with their roles and responsibilities published for the project team (i.e., who owns the project -- the IV-D Director, HHS, or Finance and Support?);
2. Aggressive project management and planning is needed to identify schedule slippage early and implement a contingency plan to regain time lost;
3. A technical architect to oversee the system design is mandatory;
4. A complete project risk assessment should be performed to identify business, technical, and project management areas of concern and a proposed plan to eliminate or mitigate these risks;
5. Aggressive tracking of the completion of the business requirements is essential. A slippage in the planned date for completion of this task has already occurred, and thus puts the entire schedule in jeopardy;
6. A technical team responsible for system configuration, software version control, the data model, and test databases is required;
7. Separating the maintenance team (for CHARTS production) from the development team (CHARTS enhancements and distribution) must occur, but good communication will be essential;
8. A data conversion plan is required, because this may impact the final CHARTS design and could increase the risk associated with successful implementation by September 1, 2001.
9. A formal testing methodology and test plan for the distribution component and SDU must be developed and executed to the satisfaction of the IV-D Director and State Treasurer;
10. A steering committee must be established to ensure all affected agencies are represented in project decisions and to assist in the issue resolution process, including HHS, HHS-Finance and Support, IMServices, SDU, Treasurer's Office, and JUSTICE representative;
11. CHARTS / distribution and SDU must be treated as two components of a single project.

Because of missed deadlines, the federal government is requiring the State of Nebraska to conduct independent verification and validation (IVV) reviews of the CHARTS project every six months. Pursuant to a memorandum of agreement with the state Department of Health and Human Services, the CIO is conducting a competitive selection process for a qualified vendor. Three vendors responded with bids on May 31. Those were rejected as too expensive and not responsive to the RFP. A revised RFP will be issued by June 23, which clarifies the scope of services and makes other changes to control price. The revised timeline calls for a contract to be in place by September 15. The first IVV should be available in November.

HHS established a CHARTS Steering Committee to monitor the status of all aspects of the project and to escalate and resolve any issues. Scope includes CHARTS, SDU, change management, testing and implementation. The Steering Committee met for the first time on June 13. They will meet monthly. Future agendas will include a review of timelines, budgets, and progress on issues. The IBM report will provide an initial list of issues.

NIS Project Status Report for May 2000
Tom Conroy, NIS Project Manager

Schedule:

- A project plan has not yet been created for the NIS product selection, so there is no schedule of milestones to track.

Status:

- Tom Conroy joined the project on May 11 as Project Director.
- Jeff Elliott joined the project on May 22 as Finance Leader.
- The NIS project office is located on the third floor NE of the State Capitol.
- Discussions were held with candidates for the Human Resource Leader and Information Technology Leader project positions.
- An approach to position staffing for the project has been identified. The standard approach calls for project members to continue to occupy their current positions but be funded by the NIS project. Agencies will have the flexibility to temporarily (for the life of the project) double fill the positions to maintain operations. The NIS project director will assume supervisory responsibility for the project member.
- A tentative schedule of milestones has been created for the project. Their current status is that of a "wish list" until a project plan is created that supports their achievement. Key assumptions include the requirement for week-long demonstrations by up to four finalists as a key decision factor and that the vendors will be willing to provide more aggressive pricing if they can book revenue before the year end.
- We have reviewed several sample RFPs as well as the RFP document that the Griffith study created for us.

Issues:

- How should the RFP be structured? The traditional approach is to include an exhaustive list of detailed requirements. Our current document includes more than 1000 items. This gives us a great many factors to weigh as well as much detail. It also places the burden on us to describe in detail how we want the software to function. This can be problematic for those areas where we expect the software to provide a "best practices" approach to existing business functions. It can also lead the vendor to propose software modifications in place of business process modifications. We are considering an alternative approach that will place more emphasis on what we are trying to accomplish (process modernization, employee self-service, integration, GASB 34 compliance, Federal reporting, etc...) with less detail on the "how". We believe this focus on the key business outcomes will allow us to take better advantage of a vendor's capabilities to match our needs. The primary purpose of the RFP is to document the vendors' approach, qualifications and our costs to implement and operate their solution. We will use this information to identify the vendors who will be asked to demonstrate their products. We will create scripts for the demonstrations that will allow us to assess the suitability of the vendor's approach to our needs.

June 2000 Activities:

- Finalize the RFP approach.
- Publish the project plan for the product selection.
- Acquire the staff to execute the plan.
- Begin the first draft of the RFP.